

**GOODWILL INDUSTRIES OF
ACADIANA, INC.**

Financial Report

Years Ended December 31, 2014 and 2013

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3-4
Statements of Activities	5
Statements of Cash Flows	6
Statements of Functional Expenses	7
Notes to Financial Statements	8-14
SUPPLEMENTAL INFORMATION	
INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17-18
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Functional Expenses by Department	20-21
Schedule of Revenues and Expenses by Department	22-23
Schedule of Compensation, Benefits, and Other Payments to CEO	24
Summary of Corrective Action Taken on Prior Year Findings	25
Schedule of Findings and Questioned Costs	26
Management's Corrective Action Plan	27



**Darnall, Sikes,
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

E. Larry Sikes, CPA/PFS, CVA, CFP®
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA/PFS
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA/PFS, CFP®
Chris A. Miller, CPA, CVA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Joan B. Moody, CPA
Lauren V. Hebert, CPA/PFS
Erich G. Loewer, III, CPA, M.S. Tax
Stephen R. Dischler, MBA, CPA
Pamela Mayeux Bonin, CPA, CVA
Craig C. Babineaux, CPA/PFS, CFP®
Jeremy C. Meaux, CPA
Chad M. Bailey, CPA
Adam J. Curry, CPA, CFP®
Kyle P. Saltzman, CPA
Blaine M. Crochet, CPA, M.S.

Kathleen T. Darnall, CPA
Kevin S. Young, CPA
Christy S. Dew, CPA, MBA
Rachel W. Ashford, CPA
Veronica L. LeBleu, CPA, MBA
Christine Guidry Berwick CPA, MBA
Brandon L. Porter, CPA
Barry J. Dufrene, CPA
Tanya S. Nowlin, CPA, Ph.D.
Nicole B. Bruchez, CPA, MBA
Brandon R. Dunphy, CPA
Seth C. Norris, CPA
Ryan Earles, CPA
Jennifer Z. Marcial, CPA
Robert C. Damall, CPA, M.S.
Elizabeth H. Olinde, CPA
Kai Seah, CPA
Katie Debailion, CPA
Casey E. Cantu, CPA
Nicolaus D. Simon, CPA
Emile M. Joseph III, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goodwill Industries of Acadiana, Inc.
Lafayette, Louisiana

We have audited the accompanying financial statements of Goodwill Industries of Acadiana, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

2000 Kaliste Saloom
Suite 300
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

1231 E. Laurel Avenue
Eunice, LA 70535
Phone: 337.457.4146
Fax: 337.457.5060

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
Phone: 985.384.6264
Fax: 985.384.8140

203 S. Jefferson Street
Abbeville, LA 70510
Phone: 337.893.5470
Fax: 337.893.5470

A Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

www.dsfcpas.com

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Industries of Acadiana, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses by department and schedule of revenues and expenses by department on pages 21-24 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dunnall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 16, 2015

GOODWILL INDUSTRIES OF ACADIANA, INC.

Statements of Financial Position
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 599,370	\$ 546,398
Investment securities, at market	264,024	257,333
Accounts receivable	54,362	68,820
Inventory	191,844	167,491
Prepaid expenses	<u>268,519</u>	<u>262,271</u>
Total current assets	<u>1,378,119</u>	<u>1,302,313</u>
LAND, BUILDING, AND EQUIPMENT, net	<u>11,756,875</u>	<u>11,780,382</u>
OTHER ASSETS		
Other receivables	417,398	374,909
Deposits	<u>6,758</u>	<u>6,758</u>
	<u>424,156</u>	<u>381,667</u>
TOTAL ASSETS	<u>\$ 13,559,150</u>	<u>\$ 13,464,362</u>

	<u>2014</u>	<u>2013</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 98,036	\$ 69,305
Payroll and related liabilities	211,265	200,506
Accrued expenses	16,494	16,776
Notes payable	225,676	172,906
Current maturities of long-term debt	787,536	854,505
Other liabilities	<u>22,008</u>	<u>20,770</u>
Total current liabilities	<u>1,361,015</u>	<u>1,334,768</u>
LONG-TERM LIABILITIES		
Long-term debt, less current maturities	<u>5,547,074</u>	<u>5,911,366</u>
	<u>5,547,074</u>	<u>5,911,366</u>
NET ASSETS		
Unrestricted	<u>6,651,061</u>	<u>6,218,228</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,559,150</u>	<u>\$ 13,464,362</u>

The accompanying notes are an integral part of these financial statements.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Statements of Activities
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
UNRESTRICTED NET ASSETS		
Revenue:		
Contributed goods production	\$ 7,721,982	\$ 7,490,749
Evaluation and training services	64,138	78,887
Contracts	79,930	107,278
Special event revenue	61,642	52,190
Management services	159,261	158,334
Miscellaneous	<u>82,291</u>	<u>59,767</u>
Total unrestricted support and revenue	<u>8,169,244</u>	<u>7,947,205</u>
Expenses:		
Contributed goods production	5,558,976	5,466,507
Evaluation and training services	703,036	435,604
Contracts	96,472	103,221
Management services	316,648	372,920
Support services:		
Public relations/fundraising	300,649	260,255
Administration	<u>760,630</u>	<u>822,241</u>
	<u>7,736,411</u>	<u>7,460,748</u>
Change in unrestricted net assets	<u>432,833</u>	<u>486,457</u>
Change in net assets	432,833	486,457
NET ASSETS, beginning	<u>6,218,228</u>	<u>5,731,771</u>
NET ASSETS, ending	<u>\$ 6,651,061</u>	<u>\$ 6,218,228</u>

The accompanying notes are an integral part of these financial statements.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 432,833	\$ 486,457
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	313,582	405,277
Gain on sale of assets	(21,750)	(700)
Unrealized loss on investment securities	1,302	11,678
(Increase) decrease in operating assets:		
Accounts receivable	14,458	(27,521)
Inventory	(24,353)	5,698
Prepaid expenses	(6,248)	(22,809)
Other receivables	(42,489)	(43,325)
Deposits	-	2,125
Increase (decrease) in operating liabilities:		
Accounts payable	28,731	(15,772)
Payroll and related liabilities	10,759	5,117
Accrued expenses	(282)	(728)
Other liabilities	1,238	299
Net cash provided by operating activities	707,781	805,796
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of securities	(7,993)	(6,173)
Proceeds from sale of assets	21,750	700
Purchase of fixed assets	(290,075)	(2,035,689)
Net cash used by investing activities	(276,318)	(2,041,162)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(604,167)	(327,939)
Proceeds from issuance of long-term debt	225,676	1,507,175
Net cash (used) provided by financing activities	(378,491)	1,179,236
Net change in cash and cash equivalents	52,972	(56,130)
CASH AND CASH EQUIVALENTS, beginning of year	546,398	602,528
CASH AND CASH EQUIVALENTS, end of year	\$ 599,370	\$ 546,398
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 290,499	\$ 286,691

The accompanying notes are an integral part of these financial statements.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Statements of Functional Expenses
Years Ended December 31, 2014 and 2013

	2014	2013
PAYROLL AND RELATED EXPENSES		
Salaries and wages	\$ 4,178,082	\$ 4,018,410
Payroll taxes	<u>337,528</u>	<u>328,223</u>
Total payroll and related expenses	<u>4,515,610</u>	<u>4,346,633</u>
OTHER EXPENSES		
Cost of sales	90,325	-
Repairs and maintenance	152,789	194,573
Supplies	161,922	197,989
Professional fees and contracted services	210,498	247,640
Promotion and entertainment	2,628	2,575
Telephone	73,780	70,940
Utilities	207,118	209,493
Rent	242,721	213,659
Travel and agency	90,783	118,208
Janitorial expense	79,449	51,170
Dues, subscriptions, and licenses	96,305	97,092
Conferences and seminars	3,298	8,324
Interest	290,499	286,691
Office and miscellaneous	147,749	165,813
Insurance	941,499	789,670
Advertising	72,463	36,722
Bad debts	20,368	861
Donation of goods	<u>23,025</u>	<u>17,418</u>
Total other expenses	<u>2,907,219</u>	<u>2,708,838</u>
Total expenses before depreciation	7,422,829	7,055,471
DEPRECIATION	<u>313,582</u>	<u>405,277</u>
TOTAL EXPENSES	<u>\$ 7,736,411</u>	<u>\$ 7,460,748</u>

The accompanying notes are an integral part of these financial statements.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Goodwill Industries of Acadiana, Inc. (Goodwill) is a not-for-profit charitable organization. Goodwill provides rehabilitation services, training and employment for the handicapped, disabled, and disadvantaged located in the Southwest Louisiana area by receiving donated articles of clothing, furnishings, appliances, etc., which are processed for sale through their retail outlets. Directors of Goodwill receive no compensation of any kind.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Income Taxes

Goodwill qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore has no provision for federal income taxes. In addition, Goodwill has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the code.

Accounting Standard Codification 740 (ASC 740) requires that a tax position be recognized or derecognized based on a “more than not” threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Company has evaluated its tax position and determined that it does not have any uncertain tax positions that meet the criteria under ASC 740. Accordingly, implementation of ASC 740 did not have any impact on the accompanying financial statements. The Company’s management believes it is no longer subject to income tax examinations for fiscal years prior to December 31, 2011.

Land, Building, and Equipment

Land, building, and equipment purchased are recorded at cost while donated items are recorded at fair value. Goodwill’s policy is to capitalize expenditures for these items in excess of \$1,500. Items below this threshold are expensed. Assets are depreciated using the straight-line method over their useful lives as follows:

Buildings and improvements	25 - 40 years
Equipment, furniture and autos	5 - 7 years

Inventories

Goodwill adopted FASB ASC 958-605-25-2 “Accounting for Contributions Received and Contributions Made” thereby recording contributed goods at fair value at the date of receipt and recording related inventories in the Statement of Financial Position. Purchased inventories of saleable goods are stated at cost.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents at December 31, 2014 and 2013 totaled \$38,110 and \$38,060, respectively.

Investments

Goodwill carries investments in mutual fund securities with readily determinable fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable is stated at cost, net of any allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses resulting from the failure of customers to make required payments. The Company reviews the accounts receivable on a periodic basis and makes allowances where there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, the customer's payment history, its current credit-worthiness and current economic trends. Based on management's evaluation of each customer, the Company considers all remaining accounts receivable to be fully collectible and, therefore, did not provide an allowance for doubtful accounts. The Company incurred bad debts of \$20,368 and \$861 for the years ended December 31, 2014 and 2013, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vacation and Sick Leave

Vacation is earned after one year of employment and is calculated based on a calendar year. Any current unused vacation can be carried over for use in the case of an extended illness. Upon separation, employees will be compensated for any unused vacation generated in the current year. However, extended illness leave will not be paid.

Sick leave with pay is earned at a rate of 40 hours per calendar year, commencing 90 days after employment. Sick leave may be accumulated only for use in an extended illness. No sick leave is payable to an employee upon separation. Accordingly, no accruals have been made for vacation or sick leave.

Advertising

Advertising costs are charged to operations when incurred. Advertising expenses for the years ended December 31, 2014 and 2013 totaled \$72,463 and \$36,723, respectively.

Subsequent Events

FASB issued *Subsequent Events* (ASC 855) which establishes general standards for accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. We have evaluated events subsequent to the balance sheet through June 16, 2015, the date the financial statements were available to be issued.

NOTE 2 OTHER RECEIVABLES

Other receivables primarily consist of premiums paid for split-dollar whole life insurance policies for several key employees.

NOTE 3 LAND, BUILDING, AND EQUIPMENT

Land, building, and equipment consist of the following:

	2014	2013
Land	\$ 2,993,283	\$ 2,358,514
Buildings and improvements	11,144,025	11,522,822
Equipment, furniture, and autos	1,642,686	1,672,424
	15,779,994	15,553,760
Less: accumulated depreciation	4,023,119	3,773,378
	\$ 11,756,875	\$ 11,780,382

GOODWILL INDUSTRIES OF ACADIANA, INC.

Notes to Financial Statements

NOTE 4 INVESTMENT SECURITIES

Investment securities at December 31, 2014 and 2013 consists of mutual funds recorded at fair value as summarized below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mutual Funds:				
As of December 31, 2014	\$ 277,092	\$ -	\$ 13,068	\$ 264,024
As of December 31, 2013	\$ 262,838	\$ -	\$ 5,505	\$ 257,333

NOTE 5 FAIR VALUE DISCLOSURES

The provisions of *Fair Value Measurement* (ASC 820-10-05) clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the inputs used to develop those assumptions and measure fair value. The hierarchy requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs used to measure fair value are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than quoted process included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing methods, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company has segregated all financial assets and liabilities that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in the table below.

	Level 1	Level 2	Level 3
Investment securities:			
Mutual Funds -			
As of December 31, 2014	\$ 264,024	\$ -	\$ -
As of December 31, 2013	\$ 257,333	\$ -	\$ -

GOODWILL INDUSTRIES OF ACADIANA, INC.

Notes to Financial Statements

NOTE 6 FINANCIAL INSTRUMENTS

The fair values of Goodwill's financial instruments are as follows:

	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 599,370	\$ 599,370
Investment securities	\$ 264,024	\$ 264,024

Cash and cash equivalents – The carrying amount of cash and cash equivalents approximate fair value.

Investment securities – Fair values for investment securities are based on quoted process in active markets for identical assets (level 1). The carrying values of investment securities approximate fair values.

NOTE 7 NONCASH INVESTING AND FINANCING TRANSACTIONS

Noncash financing transactions consist of the following:

Prepaid insurance totaling \$225,676 and \$172,906 as of December 31, 2014 and 2013, respectively, was financed.

NOTE 8 LINE OF CREDIT

Goodwill has an available line of credit of \$115,000 as of December 31, 2014. The line is secured by cash balances held in accounts at the financial institution. Amounts borrowed under this agreement bear interest at a rate of 3.25%, per annum. There were no outstanding balances on the line as of December 31, 2014 and 2013.

NOTE 9 OPERATING LEASES

Goodwill has several operating leases for retail and administrative buildings. Rent expense associated with these operating leases during 2014 and 2013 totaled \$223,140 and \$197,636, respectively.

Future minimum lease payments required under these operating leases are as follows:

2015	\$ 267,220
2016	239,620
2017	206,387
2018	123,584
2019	98,080
	\$ 934,891

GOODWILL INDUSTRIES OF ACADIANA, INC.

Notes to Financial Statements

NOTE 10 LONG-TERM DEBT

	<u>2014</u>	<u>2013</u>
Note payable to Ford Motor Credit, due September 20, 2018, payable in 60 monthly installments of \$793, including interest at a 4.74% per annum, secured by vehicle.	\$ 27,837	\$ 40,401
Note payable to Teche Federal Bank, due July 2014, payable in 59 monthly installments of \$5,434, including interest at 6.25% per annum; and one final installment of \$487,322, due July 20, 2014, secured by building.	451,201	501,612
Note payable to Teche Federal Bank, due December 18, 2017, payable in 59 monthly installments of \$8,057 and one final installment of \$1,083,486, including interest at 4.13% per annum, secured by real estate.	1,215,707	1,265,240
Multi-advance note payable to Iberia Bank, due July 9, 2018, payable in 10 monthly interest-only installments including interest at 4.15% per annum, 60 monthly installments of \$13,902, with a final installment of \$1,866,602. Maximum borrowing limit of \$2,252,500, secured by real estate.	2,140,374	2,219,860
Note payable to Ford Motor Credit, due October 11, 2014, payable in 48 monthly installments of \$1,813, including interest at 4.89% per annum, secured by vehicle.	-	17,681
Note payable to Ford Motor Credit, due May 22, 2016, payable in 60 monthly installments of \$705, including interest at 2.90% per annum, secured by vehicle.	10,483	19,045
Note payable to Teche Federal Bank, due January 19, 2017, payable in 59 monthly installments of \$9,015, including interest at 5.75% per annum, and one final payment of \$477,297, secured by real estate.	<u>621,814</u>	<u>695,816</u>
Subtotals carried forward	<u>\$ 4,467,416</u>	<u>\$ 4,759,655</u>

GOODWILL INDUSTRIES OF ACADIANA, INC.

Notes to Financial Statements

NOTE 10 LONG-TERM DEBT (Continued)

Long-term debt consists of the following as of December 31:

	2014	2013
Subtotals brought forward	\$ 4,467,416	\$ 4,759,655
Note payable to Teche Federal Bank, due October 29, 2017, payable in 59 monthly installments of \$9,240, including interest at 4.13% per annum, and one final payment of \$1,242,531, secured by real estate.	1,388,830	1,442,608
Note payable to AmSouth Leasing Corp., due June 2015, payable in 110 monthly installments of \$8,729, including interest at 4.84% per annum, and one final payment of \$6,881 secured by building.	478,364	563,608
	6,334,610	6,765,871
Less: current maturities	787,536	854,505
Net long-term portion	\$ 5,547,074	\$ 5,911,366

The maturities of long-term debt as of December 31, 2014 are as follows:

	Principal	Interest
2015	\$ 787,536	\$ 272,708
2016	316,651	254,904
2017	3,008,999	203,300
2018	1,945,394	67,900
2019	276,030	8,867
Thereafter	-	-
Total	\$ 6,334,610	\$ 807,679

NOTE 11 CONCENTRATION OF CREDIT RISK

The majority of Goodwill's accounts receivable balance at December 31, 2014 and 2013 is comprised of amounts due from various state agencies.

SUPPLEMENTAL INFORMATION

INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS



**Darnall, Sikes,
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

**Independent Auditor's Report on
Internal Control over Financial Reporting
And on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

The Board of Directors
Goodwill Industries of Acadiana, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Goodwill Industries of Acadiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Goodwill Industries of Acadiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Goodwill Industries of Acadiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

E. Larry Sikes, CPA/PFS, CVA, CFP®
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA/PFS
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA/PFS, CFP®
Chris A. Miller, CPA, CVA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Joan B. Moody, CPA
Lauren V. Hebert, CPA/PFS
Erich G. Loewer, III, CPA, M.S. Tax
Stephen R. Dischler, MBA, CPA
Pamela Mayeux Bonin, CPA, CVA
Craig C. Babineaux, CPA/PFS, CFP®
Jeremy C. Meaux, CPA
Chad M. Bailey, CPA
Adam J. Curry, CPA, CFP®
Kyle P. Saltzman, CPA
Blaine M. Crochet, CPA, M.S.

Kathleen T. Darnall, CPA
Kevin S. Young, CPA
Christy S. Dew, CPA, MPA
Rachel W. Ashford, CPA
Veronica L. LeBleu, CPA, MBA
Christine Guidry Berwick, CPA, MBA
Brandon L. Porter, CPA
Barry J. Dufrene, CPA
Tanya S. Nowlin, CPA, Ph.D.
Nicole B. Bruchez, CPA, MBA
Brandon R. Dunphy, CPA
Seth C. Norris, CPA
Ryan Earles, CPA
Jennifer Z. Marcial, CPA
Robert C. Darnall, CPA, M.S.
Elizabeth H. Olinde, CPA
Kai Seah, CPA
Katie Debaillon, CPA
Casey E. Cantu, CPA
Nicolaus D. Simon, CPA
Emile M. Joseph III, CPA

2000 Kaliste Saloom
Suite 300
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

1231 E. Laurel Avenue
Eunice, LA 70535
Phone: 337.457.4146
Fax: 337.457.5060

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
Phone: 985.384.6264
Fax: 985.384.8140

203 S. Jefferson Street
Abbeville, LA 70510
Phone: 337.893.5470
Fax: 337.893.5470

A Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

www.dsfcpas.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Goodwill Industries of Acadiana, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
June 16, 2015

OTHER SUPPLEMENTAL INFORMATION

GOODWILL INDUSTRIES OF ACADIANA, INC.

Schedule of Functional Expenses by Department
Year Ended December 31, 2014

	Contributed Goods Production		
	Retail	Salvage/ Transportation	Total
PAYROLL AND RELATED EXPENSES			
Salaries and wages	\$ 2,105,120	\$ 428,177	\$ 2,533,297
Payroll taxes	<u>178,728</u>	<u>35,002</u>	<u>213,730</u>
Total payroll and related expenses	<u>2,283,848</u>	<u>463,179</u>	<u>2,747,027</u>
OTHER EXPENSES			
Cost of sales	87,428	2,897	90,325
Repairs and maintenance	66,993	33,889	100,882
Supplies	73,959	22,774	96,733
Professional fees and contracted services	136,470	22,063	158,533
Promotion and entertainment	2,628	-	2,628
Telephone	43,371	7,795	51,166
Utilities	137,133	37,176	174,309
Rent	229,657	7,620	237,277
Travel and agency	5,203	40,980	46,183
Janitorial expense	56,540	5,187	61,727
Dues, subscriptions, and licenses	68,092	14,089	82,181
Conferences and seminars	1,503	292	1,795
Interest	144,603	59,775	204,378
Office and miscellaneous	122,294	10,172	132,466
Insurance	578,244	118,693	696,937
Advertising	408	-	408
Bad debt	-	-	-
Donation of goods	-	-	-
Allocated administrative and other costs	<u>334,734</u>	<u>71,763</u>	<u>406,497</u>
Total other expenses	<u>2,089,260</u>	<u>455,165</u>	<u>2,544,425</u>
Total expenses before depreciation	4,373,108	918,344	5,291,452
DEPRECIATION	<u>210,797</u>	<u>56,727</u>	<u>267,524</u>
TOTAL EXPENSES	<u>\$ 4,583,905</u>	<u>\$ 975,071</u>	<u>\$ 5,558,976</u>

Evaluation, Training and Rehabilitation	Lawn Maintenance Contracts	Management Services	Support Services		Totals
			Public Relations	Administration	
\$ 457,069	\$ 73,747	\$ 278,589	\$ 166,734	668,646	\$ 4,178,082
<u>38,690</u>	<u>6,333</u>	<u>20,884</u>	<u>13,096</u>	<u>44,795</u>	<u>337,528</u>
<u>495,759</u>	<u>80,080</u>	<u>299,473</u>	<u>179,830</u>	<u>713,441</u>	<u>4,515,610</u>
-	-	-	-	-	90,325
10,618	10,567	-	-	30,722	152,789
11,611	10,358	-	11,463	31,757	161,922
25,770	4,921	-	85	21,189	210,498
-	-	-	-	-	2,628
8,303	1,111	-	1,938	11,262	73,780
17,386	2,480	-	-	12,943	207,118
-	-	-	3,650	1,794	242,721
7,121	7,511	-	5,984	23,984	90,783
4,990	-	-	-	12,732	79,449
1,417	1,229	1,588	870	9,020	96,305
928	-	-	-	575	3,298
-	4,147	-	-	81,974	290,499
3,510	372	-	149	11,252	147,749
69,428	21,966	15,587	22,446	115,135	941,499
-	-	-	71,480	575	72,463
-	-	-	-	20,368	20,368
23,025	-	-	-	-	23,025
<u>10,408</u>	<u>(67,243)</u>	<u>-</u>	<u>2,754</u>	<u>(352,416)</u>	<u>-</u>
<u>194,515</u>	<u>(2,581)</u>	<u>17,175</u>	<u>120,819</u>	<u>32,866</u>	<u>2,907,219</u>
690,274	77,499	316,648	300,649	746,307	7,422,829
<u>12,762</u>	<u>18,973</u>	<u>-</u>	<u>-</u>	<u>14,323</u>	<u>313,582</u>
<u>\$ 703,036</u>	<u>\$ 96,472</u>	<u>\$ 316,648</u>	<u>\$ 300,649</u>	<u>\$ 760,630</u>	<u>\$ 7,736,411</u>

See independent auditor's report.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Schedule of Revenues and Expenses by Department
Year Ended December 31, 2014

	<u>Contributed Goods Production</u>		
	<u>Retail</u>	<u>Salvage/ Transportation</u>	<u>Total</u>
REVENUES	\$ 6,366,475	\$ 1,355,507	7,721,982
EXPENSES	<u>4,373,108</u>	<u>918,344</u>	<u>5,291,452</u>
Income (loss) before depreciation	1,993,367	437,163	2,430,530
DEPRECIATION	<u>210,797</u>	<u>56,727</u>	<u>267,524</u>
NET INCOME (LOSS)	<u>\$ 1,782,570</u>	<u>\$ 380,436</u>	<u>\$ 2,163,006</u>

Evaluation, Training and Rehabilitation	Lawn Maintenance Contracts	Management Services	Support Services		Totals
			Public Relations	Administration	
\$ 64,138	\$ 79,930	\$ 159,261	\$ 61,642	\$ 82,291	\$ 8,169,244
<u>690,274</u>	<u>77,499</u>	<u>316,648</u>	<u>300,649</u>	<u>746,307</u>	<u>7,422,829</u>
(626,136)	2,431	(157,387)	(239,007)	(664,016)	746,415
<u>12,762</u>	<u>18,973</u>	<u>-</u>	<u>-</u>	<u>14,323</u>	<u>313,582</u>
<u>\$ (638,898)</u>	<u>\$ (16,542)</u>	<u>\$ (157,387)</u>	<u>\$ (239,007)</u>	<u>\$ (678,339)</u>	<u>\$ 432,833</u>

See independent auditor's report.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer
Year Ended December 31, 2014

Sandy Purgahn, CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 140,901
Benefits - Health Insurance	37,228
Car allowance	6,000
Registration fees	1,022

See independent auditor's report.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Summary of Corrective Action Taken on Prior Year Findings
Year Ended December 31, 2014

There were no prior year findings noted, therefore, no response is deemed necessary.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on Goodwill Industries of Acadiana, Inc.'s financial statements as of and for the year ended December 31, 2014.

Significant Deficiencies - Financial Reporting

There were no significant deficiencies or material weaknesses in internal control noted during the audit of the financial statements.

Material Noncompliance or Other Matters-Financial Reporting

There were no instances of noncompliance material to the financial statements disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended December 31, 2014.

Part II Findings Relating to an Audit in Accordance with *Government Auditing Standards*

There were no reportable conditions or instances of material noncompliance noted during the audit.

Part III Findings and Questioned Costs Relating to Federal Programs

At December 31, 2014, Goodwill Industries of Acadiana, Inc. did not meet the requirements to have a single audit in accordance with OMB Circular A-133; therefore this section is not applicable.

GOODWILL INDUSTRIES OF ACADIANA, INC.

Management's Corrective Action Plan
Year Ended December 31, 2014

No current year findings were noted, therefore, no response is deemed necessary.